

ROUTING

Top Secret 219

(Security Classification)

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday 16 March 1978

CG NIDC 78/062C

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

State Dept. review completed

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National Intelligence Daily Cable for Thursday, 16 March 1978.

The NID Cable is for the purpose of informing senior US officials.

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ISRAEL-LEBANON: Military Sitrep

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[] Israel announced yesterday that its military forces have achieved their primary objectives in southern Lebanon. All major Palestinian strongholds in the border area now appear to be in Israeli hands and fighting apparently has subsided. The Israelis intend to establish a security zone inside Lebanon in the area now under their control and to prevent Palestinian guerrillas from returning.

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[] Defense Minister Weizman said that the invasion was carried out to connect existing Christian enclaves in southern Lebanon and to establish a security belt some seven to 10 kilometers wide along the entire border from Mount Hermon to the sea. Prime Minister Begin indicated yesterday at a press conference that Israel would not withdraw all of its forces until an agreement is reached--presumably with the Lebanese Government--that bars the Palestinian guerrillas from returning to southern Lebanon. The Israelis may play to turn over critical areas to Lebanese Christian forces and to back them up with Israeli troops where necessary.

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[] //The principal Israeli objectives were the Palestinian strongholds of Naqurah on the Mediterranean, Bint Jubayl and Marun ar Ras in the central border region, and At Tayyibah and Al Khiyam in the eastern sector. Other stated Israeli goals were to destroy guerrilla supply and logistic bases in the south and to wipe out known staging points for terrorist raids into Israel.//

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[redacted] Syrian jets are patrolling Lebanese airspace, according to Syria's news agency. Otherwise there has been no Syrian military reaction to the Israeli attack. [redacted]

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LEBANON: Arab World Reactions

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[redacted] *The Arab world has universally condemned Israel's retaliatory attack in Lebanon, and Egypt has expressed fear that the Israeli move may spell the end of current peace negotiations.*

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[redacted] Egyptians see the Fatah terrorist raid last Saturday and the Israeli retaliation as serious, perhaps fatal, blows to President Sadat's peace initiative. They probably now have little hope Israel will agree to a declaration of principles that would meet their minimum demands on the Palestinian issue.

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[redacted] Egypt's leadership probably also thinks it unlikely that the US will be willing or able at this point to press Prime Minister Begin on this issue when he visits Washington. One Egyptian official commented that "Fatah has made Begin's job easy" in the US.

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[redacted] Sadat has made no public statement thus far on the Israeli reprisal, but Egypt's officially directed press has compared the Israeli attack to actions by Hitler's Germany and has reiterated that Israel must give up an "expansionist" policy that cannot guarantee real security.

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[redacted] The Egyptians are no doubt worried that the Israeli reprisals could broaden in scope and thus feel compelled to speak forcefully. Sadat may withhold his own comment until he has a clearer understanding of what the Israelis intend to do now in Lebanon and how seriously their actions will hurt his peace initiative.

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[redacted] Syria harshly condemned the Israeli action and called on the UN Security Council to act immediately to prevent Israel from occupying southern Lebanon. President Asad will probably

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try to mobilize international pressure against a permanent Israeli presence in the south, but the Israeli strike already has seriously undermined Syria's claim to be a strong protector of the Palestinian movement and the defender of Lebanon.

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[] Syria's public announcement that it would provide air cover for Lebanon may in fact be intended to maintain its credibility, although any Syrian follow-through will emphasize antiaircraft weapons rather than aircraft. Given their military weakness, the Syrians will try to avoid direct contact between their regular forces and the Israelis.

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[] Asad probably hopes the Israeli attack has dealt a death blow to the Egyptian peace initiative. He nevertheless must be concerned that the Israeli strike will undermine Lebanon's delicate stability, possibly by encouraging pro-Israeli Christian militants to provoke a confrontation.

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[] Reaction elsewhere has been equally damning. Saudi Arabia issued separate statements yesterday condemning the raid and announcing that it has sent President Carter a letter pointing out that Israel's action "defies" the President's peace efforts. The statement, undoubtedly reflecting the Saudis' fear that the current round of violence will bring an end to peace talks, calls on the President to "check the aggressor" because the opportunity for peace "will not return." According to the Saudi press agency, King Khalid appealed personally to President Carter to stop the Israeli retaliation. []

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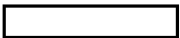
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BRAZIL - WEST GERMANY: Geisel Visit

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 Brazilian President Geisel's five-day trip to West Germany last week was a success to the extent that nuclear co-operation was reaffirmed and other commercial ties strengthened. Not all Brazilian expectations were met, however. West Germany saw the visit in strictly economic terms, while Brazil had given it an overriding political significance.

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 The two governments, which already have a nuclear accord under which Brazil is to acquire nuclear technology and

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a full nuclear fuel cycle, signed a new nuclear agreement during the visit. It provides for cooperation in the field of high temperature reactors, gas-cooled fast breeder reactors, and the thorium fuel cycle.

25X1 [] Geisel met with Chancellor Schmidt, Foreign Minister Genscher, and other top political leaders as well as the press. He also delivered an address to businessmen in Cologne. Geisel's hosts were impressed with his self-confidence and expertise on a variety of matters.

25X1 [] It was apparent, however, that the Brazilians took the visit more seriously than the West Germans. The Germans played down the event, according to the US Embassy in Bonn. Press coverage, for example, was far less extensive in West Germany than in Brazil. The West German media, moreover, tended to see the visit in the context of US - West German relations, particularly in light of the US concern over nuclear proliferation.

25X1 [] The German attitude must have been a disappointment to the Brazilians, who had come to view the trip as the culmination of a longstanding effort to build a foreign policy conspicuously independent of the US. The Brazilians envisaged the trip as having a particularly strong impact on the US in view of President Carter's coming visit to Brazil. In recent years, West Germany has emerged as Brazil's second largest trading partner. []

FRANCE: Mirage 2,000 Interceptor

25X1 [] *France's Mirage 2000 interceptor successfully completed its first flight last Friday. The aircraft will be the backbone of the French tactical fighter force for years to come and a leading candidate for export.*

25X1 [] The Mirage 2000 appears well suited for its air superiority role. According to French officials, its operational ceiling is above 18,000 meters, where it can cruise at over twice the speed of sound. It is highly maneuverable at this speed and altitude. Several high-ranking French officers, however, have [] voiced skepticism about official statements on the plane's performance.

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[REDACTED] Serial production is still several years away. The initial production models will leave the Dassault assembly line in 1982, and the first operational squadron will be formed the year after. The French plan to build 250 to 300 of the interceptor version and a number of other variants for ground attack and reconnaissance.

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[REDACTED] The French plan a vigorous effort to sell the plane to non-NATO nations. The most likely candidates are Arab states that have bought Dassault aircraft in the past, such as Egypt, Libya, and Iraq. [REDACTED]

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